



# Commonwealth of Massachusetts Division of Insurance

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Annual Report**

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**COMMONWEALTH OF MASSACHUSETTS  
DIVISION OF INSURANCE**

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WILLIAM F. WELD  
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LINDA RUTHARDT  
COMMISSIONER

February 26, 1997

To the General Court and the People of the Commonwealth:

1996 marked another year of achievement for the Division of Insurance. As in past years, the Division's 160 employees worked diligently in carrying out the Division's statutory responsibility to regulate the business of insurance. The year also saw the Division retain its accreditation by the National Association of Insurance Commissioners (NAIC). Here are some of the year's highlights:

After 1996's rate decrease of 4.5% on average for personal auto insurance was announced, an unprecedented number of insurers (over 20) requested and were approved by the Division for additional downward rate deviations ranging from -3% to -15%, reducing the cost of auto insurance to consumers by an aggregate amount of \$150 millions dollars. In the main, these discounts were offered to people with good driving records.

Over 2100 group auto insurance discounts, available to over 2,000,000 eligible members, were reviewed and approved by the Division. These saved consumers an additional \$50 - \$100 million dollars.

For the third straight year, a double digit decrease in workers' compensation insurance rates was negotiated and approved by the Division. 1996's 12.2% decrease, when added to the decreases in effect in the two preceding years, results in a total of approximately a *billion* dollars in savings for the state's employers.

1996 was also a year in which the Division oversaw two of the life insurance industry's largest mergers ever: Massachusetts Mutual's merger with Connecticut Mutual, and Metropolitan Life's merger with The New England. Forty-four new companies were licensed in 1996, and thirty-seven expanded their licenses.

The Division's Consumer Service Section recovered over \$2,000,000 dollars for Massachusetts consumers in 1996, while responding to over 60,000 telephone calls and resolving nearly 3,700 written complaints. At the same time, the Division's Special Investigations Unit collected nearly \$700,000 in fines and fees for the Commonwealth's treasury from its efforts in policing violations of the state's insurance laws. The Division's Board of Appeal issued nearly 52,000 decisions in appeals of Safe Driver Insurance Plan surcharges by drivers throughout the Commonwealth.

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In addition, the Division's staff conducted financial examinations to monitor the solvency of insurance companies, self-insured groups, and fraternal benefit societies; reviewed license applications from tens of thousands of agents and brokers; reviewed thousands of policy form and rate filings submitted by insurers; wrote bulletins interpreting insurance laws for the public and regulated entities alike; analyzed insurance legislation; drafted necessary new regulations, streamlined older ones, and eliminated those that were unnecessary or obsolete; oversaw the workings of the residual markets in the medical malpractice, auto, homeowners, workers' compensation, and liquor liability lines of insurance; and performed countless other tasks of regulatory oversight and consumer assistance throughout the year.

In 1997, as in the past, the staff of the Division of Insurance is committed to regulating the business of insurance in the best interest of the residents of Massachusetts. We welcome your suggestions for improving our ability to serve you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Linda Ruthardt".

Linda Ruthardt

Commissioner of Insurance



## Consumer Service Section

The Consumer Service Section is responsible for responding to inquiries and intervening on behalf of consumers to resolve complaints against insurers, agents, brokers and other licensees. In addition to providing consumers with general insurance information, the Section also advises consumers of their rights under the provisions of their policies, state laws and regulations.

The Section's objective is to convey accurate information and advice to consumers quickly and in a helpful and understanding manner. In 1996 the Section received 65,673 telephone calls from consumers. The staff resolved 3,686 written complaints, recovered \$2,385,678 for consumers and issued numerous informational letters.

The Section maintains a complaint database which lists each complaint and inquiry received. The complaint log may indicate patterns of unfair, deceptive, or abusive insurance practices by an agent, broker, insurance company or other licensee. In some cases information is referred to the Special Investigations Unit (SIU) for further action. When it appears that these patterns may indicate trends in the industry, they are referred to other Sections within the Division for possible legislative or regulatory action.

### Consumer Service Section - 1996 Activity

Month	Contacts	Phone	Cases	Q&A	Recovery
January	6,698	6,239	401	NA	\$473,176
February	6,588	6,134	345	NA	\$96,579
March	11,255	8,876	317	1,967	\$162,202
April	9,624	7,751	347	1,445	\$143,792
May	8,556	7,061	286	1,097	\$57,388
June	8,163	6,620	247	1,240	\$234,584
July	5,814	4,725	351	684	\$206,424
August	5,069	4,579	272	163	\$96,946
September	3,845	3,363	321	99	\$478,115
October	3,493	3,054	258	105	\$103,272
November	3,847	3,404	258	119	\$139,233
December	4,477	3,867	283	262	\$193,967
1996 Total	77,429	65,673	3,686	7,181	\$2,385,678

**Contacts** are all phone calls, letters, and other communication with consumers received by the section.

**Phone** represents all phone calls received by the section.

**Cases** are consumer issues that are actively pursued by Consumer Service staff.

**Q&A** represents calls to the Consumer Service Section 24 hour automated question and answer line.

**Recovery** is the total amount of money received by consumers who have requested the Section's intervention.



# *Financial Regulation & Licensing*

The Financial Regulation & Licensing Section is responsible for monitoring the financial condition of insurers doing business in Massachusetts. The Financial Surveillance and Company Licensing (FSU) Unit is responsible for ensuring that only those companies that are financially sound are licensed or authorized to transact business in the Commonwealth. The annual and quarterly financial statements of each company are regularly reviewed by the FSU to ensure that any solvency problems can be addressed so that they do not become serious. The Financial Examination Unit (FEU) audits financial records of insurers domiciled in the Commonwealth on a regular basis.

In fulfilling its responsibilities, the Financial Regulation & Licensing Section reviews and processes new company licenses, reviews existing licenses, processes license certifications and their appropriate fees, and notifies other agencies, such as the Department of Revenue, the Registry of Motor Vehicles, the Industrial Accident Board, the Commonwealth Automobile Reinsurers (CAR), and the guaranty funds, of company name and address changes and changes in license status due to a company's financial condition. The statutory requirement for insurer examinations is every five years, two years for HMOs and three years for Blue Cross / Blue Shield of Massachusetts. The FEU may conduct an examination of an insurer on a more frequent basis as the regulatory need arises.

During 1996, the Division completed a total of 21 financial examinations of life and property/casualty insurers, including 12 workers' compensation self insured groups. Financial examinations of insurers and HMOs include a market conduct component. The companies have \$10.7 billion in premium nationwide, including over \$2.5 billion in premium in Massachusetts. Additionally, 15 insurer financial examinations were in process at year's end, representing \$7.0 billion in premium nationwide and \$5.7 billion in premium in Massachusetts. The Division performed 39 fraternal benefit society examinations as well.

1996 was a very active year for Company Licensing with over 80 approvals issued.

The Financial Regulation & Licensing Section serves as the Division's liaison with the National Association of Insurance Commissioners (NAIC) financial surveillance and examination systems and communicates with them regularly via a computer database.



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## *Office of the General Counsel*

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The Office of the General Counsel (OGC) provides legal service, advice and assistance to the Commissioner, all other sections of the Division, legislators, other state agencies, consumers and the insurance industry. Staff attorneys also represent the Division in administrative hearings and are designated by the Commissioner as hearing officers for administrative hearings. The OGC also drafts advisory opinions, bulletins, and regulations concerning the interpretation and implementation of the insurance laws.

The Division continued implementation of legislation passed in 1993 for accreditation by the National Association of Insurance Commissioners. That legislation introduced new insurance regulatory laws, and enhanced existing laws. The result has been increased regulatory responsibility for the Division, as an agency, and additional responsibilities for the OGC in particular.

Significant results were achieved in the enforcement area as efforts continued to expand into statutory compliance actions against companies while staff attorneys maintained their focus on the efficient resolution of agent and broker licensing actions. Significant energy was also devoted to the administration of the various pending receiverships, as well as to the various residual market mechanisms for which the Division has oversight authority.

The OGC continued to work very closely with the Financial Surveillance and Company Licensing section on several insurance company transactions - several involving change of ownership - including two mergers, a redomestication, and surplus note offerings. The OGC has also provided assistance on health insurance issues, including mergers of health maintenance organizations and development of various regulations and bulletins. Legal issues pertaining to the ability of banks to sell insurance took precedence after a U.S. Supreme Court decision on the subject was issued in the Spring of 1996, culminating in a federal court decision preempting state laws affecting federal bank sales of insurance.

The OGC also worked closely with the Government Bureau in the Office of the Attorney General in connection with the defense of several other actions filed against the Commissioner in both state and federal court.



## *Special Investigations Unit*

The Special Investigations Unit (SIU), a subdivision of the Office of the General Counsel, investigates allegations of misconduct by agents, brokers, advisors, adjusters, and insurance companies licensed by the Division. In addition to monitoring these licensees for general compliance issues, the SIU investigates allegations of unfair methods of competition and unfair and deceptive acts or trade practices in the insurance industry. The SIU receives its information from other sections of the Division, the general public, and other state and federal investigative agencies.

The SIU investigators work closely with enforcement counsel in the Office of the General Counsel, who prosecute matters developed by the SIU. Enforcement actions take a variety of forms, including letters of reprimand, negotiated settlements, and administrative hearings, which may result in the imposition of civil fines or fees and license sanctions. The SIU refers evidence of criminal violations to the appropriate law enforcement authority.

In 1996, the SIU opened approximately 262 cases while also managing its carry-over case load from 1995. Through the efforts of both the SIU investigators and enforcement counsel, the SIU closed 224 cases in 1996, collecting nearly \$682,000 in fines and fees as well as obtaining payment of restitution to Massachusetts consumers. The SIU looks forward to increasing its presence in the market during 1997, and continuing to aggressively investigate and prosecute violations of the Commonwealth's insurance laws as it strives to enhance appropriate market conduct.

## *Agents and Brokers Licensing*

The Agents and Brokers Licensing Section is responsible for issuing licenses to qualified individuals, corporations, and partnerships as agents, brokers, insurance advisers, and public fire loss adjusters. The Section's responsibilities include monitoring applicants and licensees to ensure compliance with the General Laws of Massachusetts, maintaining the Division's licensing database, and responding to the hundreds of licensing inquiries from insurance companies and consumers received daily. (Licensing requests warranting a written response are generally responded to within 10 business days).

Current records indicate that there are over 130,000 agent licenses and 15,000 broker licenses active in the Commonwealth. As a result of this agent and broker licensing activity, the Section generated a total of \$9,429,217 for the Commonwealth in fiscal year 1996.

The State Rating Bureau continues to administer the Division's continuing education program, while the Agent & Broker Licensing Section monitors the continuing education compliance of licensees.



## Hearings & Appeals

The Commissioner of Insurance, as administrator of the insurance laws, hears and rules on a broad spectrum of insurance issues. This role includes approving insurance rates, adjudicating actions taken by the Division against its licensees, hearing appeals from decisions of the residual market entities which are overseen by the Commissioner, and holding hearings on regulatory matters. Administrative proceedings range widely in complexity, and raise public policy issues of concern to both the general public and the business community. Some, especially state-wide rate cases, require analysis of highly technical information. Enforcement actions and appeals by licensees may be vigorously contested and raise significant substantive, procedural and evidentiary issues. Hearings and Appeals staff, who conduct most of these hearings, are responsible for expeditiously scheduling cases, conducting fair hearings, managing disputed cases effectively, and issuing consistent, well-reasoned, and legally sound decisions. The number of cases filed before the Division was over 50% higher in 1996 than in 1995. Despite the increase, the Division, in 1996, in each separate category of cases, was able to resolve more cases than the number of cases newly filed during the year.

Decisions in insurance rate cases may significantly affect the Massachusetts economy, and command a major portion of Hearings and Appeals' resources. These cases have at stake hundreds of millions of dollars, directly affect both insurers and policyholders, and require careful balancing of the short- and long-term interests of consumers, and the right of the regulated industry to receive a fair return. In 1996, hearings were held on rates for private passenger automobile insurance and individual insurers' applications to deviate from those rates, commercial automobile insurance, workers' compensation insurance, homeowners insurance available through the Massachusetts Property Insurance Underwriting Association (FAIR Plan), and Medicare supplement insurance. In all, 45 insurance rate cases were filed in 1996 and 47 were resolved, compared to 27 filed in 1995. In related matters, informational hearings were held by the Division on the Blue Cross Blue Shield method of compensating individual professional providers, on recommendations regarding use of off-label drugs for treatment of HIV/AIDS, on the Massachusetts market for Medicare supplement insurance and Medicare HMO products, on Nongroup health insurance reform, and on a proposed new Massachusetts workers' compensation and employers' liability insurance manual. Public comment on many of these matters was solicited at hearings not only in Boston proper, but in locations throughout the state, including Framingham, Northampton, Roxbury, Wakefield, West Barnstable, and Worcester.

A second important focus of Hearings and Appeals is public protection. During 1996, four formal enforcement actions against Division licensees were filed by the Division, and four appeals were taken from Division licensing actions. Eleven cases were resolved by decision or agreement. Sanctions imposed against licensees included license revocations, fines, and cease and desist orders.

Appeals from decisions of the administrators of the various residual markets, Commonwealth Automobile Reinsurers ("CAR"), the Workers Compensation Rating and Inspection Bureau ((WCRB)), and the FAIR Plan, constitute another major segment of the Hearings and Appeals workload. Individuals, businesses, and insurance companies may, by statute, appeal to the Commissioner from an adverse decision of these entities. The Board of Review in Insurance, consisting of designees of the Commissioner, the Attorney General and the applicable Board of Registration, hears petitions brought against medical or dental service corporations. This year, the Division also heard appeals of the lead



paint surcharge on producer licenses. The administrative hearing process offers a flexible alternative to litigation and allows participants to benefit from the Commissioner's expertise. In 1996, 36 such appeals and four petitions were filed, and 40 matters were resolved.

Additionally, in 1996, staff from the Office of the General Counsel conducted hearings on various matters relating to financial control and structure of domestic insurers. Seven cases relating to change of financial control and structure were filed this year, and eight were closed.

The Governor's regulation review project was a top priority for the Division in 1996, and 35 cases related to the modification or rescission of Division regulations were filed. Attorneys from all sections of the Division participated in reviewing those regulations and conducting hearings. The project streamlined many of the Division's regulations, and eliminated those that had become obsolete.

In 1996, hearings were also held, and decisions rendered, in two cases that addressed residual market reforms: one dealing with reforms to the FAIR Plan, and the other, with reforms to the medical malpractice residual market. The FAIR Plan's Plan of Operation was revised to comply with the requirements of Chapter 93 of the Acts of 1996 (the anti-redlining law). The Commissioner issued a decision approving those revisions, and also approving the Fair Plan's Market Assistance Plan (MAP), which is designed to increase the availability to consumers, especially those in urban areas, of homeowners coverage provided by voluntary market insurers. The Commissioner also approved the Plan of Operation and Rules of Operation of the Massachusetts Medical Malpractice Reinsurance Plan (MMMRP). The MMMRP is the medical malpractice residual market mechanism established to comply with the requirements of Chapter 330 of the Acts of 1994.

The Commissioner's decisions may be appealed to the Superior Court or, in some cases, directly to the Supreme Judicial Court. In 1996, Bankers Life and Casualty Company appealed to the Supreme Judicial Court the Commissioner's disapproval of its proposed 1996 Medical Supplement insurance rates, and its appeal is pending as of December 31, 1996. Also in 1996, in five appeals arising out of actions taken by CAR or the WCRB, and in two appeals arising out of decisions on enforcement actions, the appellate court (either the Superior Court or the Appeals Court) issued rulings or decisions which uniformly upheld the Commissioner's decisions.

Finally, Hearings and Appeals also maintains all official agency records of these cases, and ensures prompt public access to those records. During 1996 Hearings and Appeals has improved the system for public access to those records, while maintaining reasonable precautions to ensure their security.



## *Board of Appeal on Motor Vehicle Liability Policies and Bonds*

The Board of Appeal was established by Massachusetts General Laws Chapter 26, section 8A. The Board hears appeals of:

1. Motor vehicle accident surcharges issued in accordance with the Commonwealth's Safe Driver Insurance Plan (M.G.L. c. 175 §§ 113B, 113P);
2. Decisions of the Registrar of Motor Vehicles (M.G.L. c. 90 § 28); and
3. Automobile insurance cancellations (M.G.L. c. 175 § 113D).

In 1996 the Board received:

1. 41,620 appeals on Safe Driver Insurance Plan (SDIP) surcharges generating revenue of \$1,040,500;
2. 4,355 appeals on Registry of Motor Vehicles (RMV) actions generating revenue of \$108,875; and
3. 131 appeals on automobile insurance cancellations.

The SDIP is mandated by state law to establish classifications of risks to fairly reflect the driving records of insureds and adjust premiums based in part on at-fault accidents. The Plan thereby encourages safe driving by rewarding drivers who do not cause accidents or incur traffic law violations with a credit to their automobile insurance premiums, and discourages unsafe driving by requiring high-risk drivers to pay a greater share of insurance costs. Massachusetts, unlike many comparable jurisdictions that afford no or limited due process rights, provides the right to a hearing before an impartial hearing officer of the Board of Appeal on the application of an SDIP Surcharge if the operator believes they are not more than 50% at-fault in the accident. There are two options available to the appellant for the hearing:

1. Submitting a written statement in lieu of a personal appearance (a consumer convenience); or
2. Appearing in person.

In 1996, the appeals process has been greatly improved. A database has been created which allows for a 3-way electronic transfer and merger of data from the Division's Lock-Box, the Merit Rating Board's Driver History Records and the Board of Appeal. This process has allowed for increased efficiency in scheduling dockets, tracking appeals for consumer inquiries, generating statistical reports and processing decisions. The database now enables us to provide each appellant with a "Hearing Receipt Acknowledgment" within days of their appeal being filed. Consumer inquiries have correspondingly been reduced as the Acknowledgment provides answers to the most commonly asked questions. In addition, in 1996, the Board achieved its goal of providing a detailed Statement of Reasons for all decisions the Board renders in which the Surcharge is upheld.



The time it takes to hear an appeal has been reduced to approximately five or fewer months across the Commonwealth. This represents a significant reduction from the 22 month backlog of 1993. The reduction has been accomplished while the receipt of appeals has increased by approximately 10,000, from 31,636 in 1995, to 41,620 in 1996. Today there are 18,486 appeals pending with approximately 900 hearings being held per week.

The Board has two satellite offices with full computer capabilities, one in the Worcester Registry of Motor Vehicles and one in the Springfield Registry. These offices are utilized for the conduct of surcharge appeals, as a convenience to appellants in the central and western part of the Commonwealth. The Board also has other hearing locations in southeastern and northern Massachusetts.

The rules of practice and procedure that govern SDIP surcharge hearings have been revised, and became effective December 27, 1996. This work, as well as the consolidation of the annual SDIP Regulation (211 CMR 134.00), was completed as part of the Governor's Regulation Review Initiative. The practice and procedure regulation, 211 CMR 88.00 (Procedures For The Appeal Of Safe Driver Insurance Plan (SDIP) Motor Vehicle Accident Surcharges And For The Conduct Of SDIP Motor Vehicle Accident Surcharge Hearings), is now in more consumer-friendly terminology and puts practices into place that make it easier for consumers to appeal. A documentary review process has been initiated, allowing for document submissions by appellants and insurers alike, permitting the Board to review and decide those cases that can be favorably determined on behalf of the appellant without the need of an in-person hearing, further reducing the waiting period for a hearing. Those cases that can not be decided in this manner will proceed to be scheduled for a hearing. The result of the documentary review is to save money for consumers and insurers alike.

Perhaps the most significant statistical indicator of the service provided by the Board's nine Hearing Officers and administrative support staff is the processing and rendering of 51,817 surcharge appeal decisions in 1996.

## *State Rating Bureau*

The State Rating Bureau (SRB) serves as a consumer advocate in hearings on the appropriateness of rates filed by auto, workers' compensation, and health insurance carriers, including Blue Cross and Blue Shield (BCBS). The SRB is staffed by actuaries, mathematicians, policy review analysts, researchers, attorneys and support staff. The SRB also reviews life, health (including Medicare Supplement), property, and liability insurance policies and rates, as well as HMO and PPA applications, for compliance with applicable laws and regulations. The SRB provides technical advice to the Commissioner on the oversight of the auto, workers' compensation, health, and other insurance markets. In the course of carrying out its responsibilities in 1996, the SRB:

### *Automobile - Private Passenger*

- Reviewed and approved over 2100 auto insurance group marketing discounts off 1996 rates under G.L. c. 175, § 193R, which are available to over 2 million eligible members.
- Participated in numerous hearings regarding private passenger automobile insurance rate deviations sought under c. 175, § 113B.
- As a result of group discounts approved under § 193R and rate deviations approved under § 113B, consumers saved approximately \$250 million in auto insurance premiums in 1996.
- Litigated then negotiated settlement of various issues in the 1997 rate hearings with the Automobile Insurers Bureau, involving underwriting profits, losses, expenses, and cost containment, for a total savings of over \$250 million in 1997 rates.
- Quantified a data problem relating to adjustments in the Safe Driver Insurance Plan (SDIP). Following this discovery, the industry immediately lowered its 1997 rate request by 1.8%, leading to consumer savings of \$55 million.
- Overall, private passenger automobile insurance rates were cut from the 4.8% increase requested by the AIB to a 6.2% decrease, for a total savings to consumers of over \$300 million.



## *Automobile - Commercial*

- Reviewed and approved the AIB commercial automobile rate filing for companies with a market share of less than 1%, for an overall rate decrease of 3%.
- Participated in hearing regarding Commonwealth Automobile Reinsurers (CAR) filing for the new "Car Service" classification and associated rates. In accordance with the SRB recommendations, the rate increase was disapproved, resulting in a savings of approximately \$500,000 for car service businesses.
- Negotiated agreement with CAR for an increase of 2.4% for 1997 commercial automobile insurance rates in the involuntary market, instead of the 13.1% which had been requested.

## *Workers' Compensation*

- Negotiated settlement in workers' compensation rate case for a 12.2% decrease in overall average workers' compensation rates, resulting in a reduction in premiums of approximately \$120 million for Massachusetts businesses.
- Designed and conducted PPA employee satisfaction survey investigating workers' compensation medical care. Analyzed results and prepared draft report showing survey results.
- Participated in overhaul of the unit statistical plan used for the collection of workers' compensation insurance data.
- Reviewed numerous workers' compensation filings, including self-insurance group and individual company rate deviation, schedule credit, and large deductible filings, as well as PPA applications.

## *Health*

- Assisted the legislature with technical benefit and rate issues related to nongroup and small group health insurance reform legislation. Following enactment, developed several bulletins advising carriers about effects of law, and compliance requirements.
- Represented consumer interests in litigation of Medicare supplement rate requests for BCBS Medex line, Bankers Life and Casualty, Mutual of Omaha, Bankers Multiple Line and Prudential's AARP products. SRB efforts saved approximately \$60 million in rates, affecting over 250,000 seniors statewide.

- In conjunction with the Financial Examination Unit, monitored and approved HMO mergers: the merger of Healthsource Massachusetts and Central Massachusetts Health Care to become Healthsource CMHC, and the merger of United Health Plan and Metra Health into United Health Care.
- Reviewed 25 BCBS subscriber agreements and approximately 800 BCBS form riders; reviewed 5 Delta Dental subscriber agreements, and approximately 50 form riders; reviewed 40 HMO subscriber agreements with 50 riders.
- Consolidated and revised a number of regulations governing HMOs, preferred provider plans, small group and nongroup health insurance, and health insurance marketing, as part of Governor's regulation review project.
- Developed guidelines for use by health insurers and HMOs in reporting their membership and utilization data to the Division.

## *Medical Malpractice*

- Oversaw setup of Massachusetts Medical Malpractice Reinsurance Plan (MMMRP) in accordance with the Chapter 330 of the Acts of 1994. Reviewed multiple drafts of Plan of Operation and met with MMMRP representatives to identify problematic areas and suggest changes. Participated in public hearing leading to approval of Plan of Operation. Reviewed several drafts of Rules of Operation and discussed areas of concern with MMMRP. Provided technical and legal assistance to Commissioner for approval of Plan of Operation and Rules of Operation. Monitored progress of MMMRP at monthly meetings of Governing Committee. Advised companies of rights and responsibilities under the MMMRP.
- Monitored market changes resulting from implementation of Chapter 330 of the Acts of 1994, including assisting consumers with questions regarding the evolving medical malpractice insurance marketplace, and researching legal and technical issues raised by insurers in the market.
- Reviewed numerous independent rate and form filings for various types of medical malpractice coverage for compliance with Massachusetts law.

## *Policy Form and Rate Review*

- Completed the review of 6,235 rate and form filings, of which 1,599 were life insurance filings, 219 were health insurance filings and 4,417 were property and casualty filings.
- Policy form filing fees generated income of approximately \$350,000 and rate form filing fees generated income of approximately \$285,000 in 1996 for a total of approximately \$635,000 revenue in 1996.



## *Continuing Education for Agents*

- Continuing Education Course Review Committee reviewed a total of 1278 courses in 1996, including 699 Life, 79 Accident and Health, 22 Variable and Annuity and 478 Property and Casualty courses. 1,000 courses were approved and 278 disapproved.

## *Other Property & Casualty*

- Registered 48 new risk purchasing groups (RPGs), and renewed the registrations of 139.
- Completed report examining the current state of the homeowner insurance market as required by Chapter 93 of the Acts of 1996.
- Reviewed FAIR Plan's revised Constitution, and Plan of Operation, and proposed Market Assistance Plan for compliance with Chapter 93 of the Acts of 1996.
- Reviewed FAIR Plan rate filings for compliance with Chapter 93 of the Acts of 1996; negotiated stipulation resolving related issues.

## *Life*

- Reviewed regulations governing mortality tables and variable life products as part of Governor's regulation review project.

## *Management Information Systems*

The Management Information Systems (MIS) Section handles the day-to-day operations of the Division's telecommunication system, the local area network (LAN), PCs, Wang VS, and other data connections.

MIS took part in the Office of Consumer Affairs and Business Regulation's committee on long range strategic information technology (IT) planning. Long range goals include plans for the Division to streamline its licensing and regulation operations by migrating to a more integrated, and therefore more efficient, set of processing capabilities that will be consistent for all agencies within the OCABR, including the Division.

MIS supports nine retail and wholesale "lockboxes" which allow payments by individuals or companies to the Division to be deposited in the bank automatically. Although wholesale lockboxes will continue to be used, retail lockboxes promise a quicker and more efficient turnaround. The retail system is much like a bar code, which electronically reads all information needed to process the payment and send the information electronically to the Division. Lockbox operations not only expedite the revenue stream, but also minimize data entry.

MIS designed, developed, and implemented a "relational" database to automate the surcharge appeal process and improve the overall operations of the Board of Appeal. An electronic interface with the Merit Rating Board (MRB) was developed so that data from the Registry of Motor Vehicles related to surcharge appeals could be added to the Division's surcharge database. With this technology, we can generate acknowledgment letters, schedule hearings on a "first come, first serve" basis, and produce standard letters that more clearly state the outcomes of surcharge hearings. Several satellite offices have been linked electronically to the Division's main office, enhancing the ability of personnel at satellite offices to communicate with staff in Boston, and providing satellite office personnel with access to the Boston office's data processing resources.

## *Automobile Damage Appraiser Board*

The Automobile Damage Appraiser Licensing Board is responsible for the regulation of motor vehicle damage appraisers in Massachusetts. Four of the five Board Members are appointed by the Governor. The fifth member is appointed by the Commissioner and serves as the Board's Chairman. The Board institutes and maintains minimum standards for the conduct of motor vehicle damage appraisers. It conducts licensing examinations, issues and renews appraisers' licenses, and processes applications. Its members are also empowered to revoke, cancel, and suspend licenses following a hearing process that may result from complaints that are brought before the Board. In addition, the Board sets licensing eligibility requirements, approves training programs, and establishes license revocation guidelines.

In 1996, the Board and staff renewed 4,639 appraiser licenses, issued 83 new licenses, no licenses were suspended and one was revoked. As of December 31, 1996 there were approximately 4,676 licensed Motor Vehicle Damage Appraisers in Massachusetts.



## *Administration*

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Working closely with the Administrative Services Unit of the Office of Consumer Affairs, the Administration Section is responsible for a variety of functions relating to the internal operations of the Division of Insurance. Its mission is to provide personnel and fiscal support to the agency's various departments by administering the spending and hiring plans, purchasing commodities and services, providing accounting services and general operational functions, such as mail and courier services.

During FY '96, the unit collected \$37,259,602 in revenue and administered a budget of \$8 million. In addition, employee recruitment and hiring continued to be a major function of the unit during the year. The Section also coordinated the employee evaluation programs, the human resource development training program, and the Performance Recognition Program.

In FY '96, the unit streamlined a number of internal functions to increase efficiency and to ensure compliance with the Commonwealth's rules and regulations. For example, the unit designed a complete inventory of the agency's assets. The inventory is now managed in conjunction with the Management Information Systems (MIS) inventory to ensure strict adherence to the internal controls governing the purchase, receipt, storage and distribution of information technology hardware and software, as well as general office equipment. The unit also: implemented a telephone user policy to ensure the proper use of the Commonwealth's property; expanded the use of BARS, the automated billing system, to include the billing of fines and penalties against licenses; and initiated the purchasing of goods via the so-called Electronic Data Interchange (EDI).

In 1996, Ruth Dziuba of the Commissioner's Office, Alexandria Murray of the Agents & Brokers Licensing Section and Gerald Condon of the Consumer Service Section were honored by the Commonwealth with receipt of the Pride in Performance Award.

### Ancillary Receiverships in Liquidation Property & Casualty

Date	Company	Home State
11/22/76	Century Fire & Marine Insurance Corp.	Massachusetts
12/4/81	Security Casualty Insurance Company	Illinois
12/26/84	Ideal Mutual Insurance Company	New York
12/3/85	Transit Casualty Insurance Company	Missouri
7/16/85	Union Indemnity Insurance Company	New York
1/16/86	Carriers Insurance Company	Iowa
4/3/86	Midland Insurance Company	New York
4/30/86	American Druggists Insurance Company	Ohio
7/15/86	Allied Fidelity Insurance Company	Indiana
2/24/87	Mission Insurance Company	California
11/20/89	Equity General Insurance Company	Illinois
1/12/90	Intercontinental Insurance Company	Illinois
1/8/91	American Universal	Rhode Island
2/5/91	Canadian Universal	Rhode Island
2/20/91	Edison Insurance	Illinois
4/23/91	Western Employers	California
10/23/92	MCA Insurance	Oklahoma

### Ancillary Receiverships in Liquidation Life Insurance

Date	Company	Home State
12/19/88	Diamond Benefit Life	Arizona
6/1/90	Life of Indiana	Indiana
1/10/91	Life Assurance Company of PA	Pennsylvania
8/12/91	Guarantee Security Life Ins. Co.	Florida
12/20/91	United Equitable Life Ins. Co.	Illinois
12/33/91	Inter-American Life Ins. Co of Illinois	Illinois

### Domestic Companies in Liquidation

Abington Mutual Insurance Company
Attleboro Mutual Insurance Company
American Mutual Insurance Company (AMI and AMLICO)

### Domestic Companies in Rehabilitation

Monarch Life Insurance Company
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# *Insurance Related Acts & Resolves and Regulations*

## *Resolutions*

Resolution urging the Commissioner of Insurance to reject the proposal of Blue Cross and Blue Shield of Massachusetts to increase premium rates for Medex Health Insurance. Adopted by the Senate on September 10, 1996.

## *Statutes*

### **Chapter 8**

This law provides that in the case of mandated outpatient mental health benefits pursuant to M.G.L. c. 176G, §4 and M.G.L. c. 175 §47B(c), no HMO shall require consent to the disclosure of information, other than the patient name, diagnosis and date and type of service as a condition to receiving the mandated outpatient mental health benefits. Signed by the Governor on January 19, 1996.

### **Chapter 89**

This law amends M.G.L. Chapter 175, §157 regarding resident agents. A fax of a signature of any resident agent imprinted on any property or casualty insurance policy issued by mail, computer or fax shall have the same validity as a written signature. Signed by the Governor on May 20, 1996.

### **Chapter 93**

This law provides credits for insurers that write homeowners insurance in urban areas--credits that can be used to reduce those insurers' shares of the deficit of the homeowners residual market (the FAIR Plan). This is intended to produce increased writing by voluntary market insurers in urban areas. The law further requires statistics to be reported that will show insurer patterns of writing homeowners insurance in urban areas. Signed by the Governor on May 20, 1996.

### **Chapter 293**

This law mandates coverage for outpatient services provided by mental health counselors licensed pursuant to M.G.L. c. 112 to the same extent as has been mandated for the other mental health providers. For HMOs, the coverage for this benefit is subject to the terms of a negotiated agreement between the HMO and the mental health counselor. Signed by the Governor on August 9, 1996.

### **Chapter 297**

M.G.L. c. 176J is amended to increase the size of small groups from a maximum of 25 to 50 employees; these groups will have three years to meet the 2:1 rate band requirement through particular rate adjustments of the types permitted under Chapter 297. Small group health insurance plans covering fewer than 20 employees are required to offer continuation of coverage similar to that which is provided to groups with 20 or more employees under federal COBRA provisions. The statutory exemption previously granted to association group policies under M.G.L. c. 176J, §2 is eliminated and such policies are now governed by M.G.L. c. 176J. In plans issued or renewed after August 15, 1996, carriers may no longer use gender as a factor in developing small group health insurance rates. This law adds M.G.L. c. 176M, which changes the nongroup market on or after September 1, 1997, at which time carriers may not offer any nongroup health insurance plan other than those qualifying as guaranteed issue health plans. Carriers with 5000 or more covered lives in Massachusetts' small group health insurance market will be required to offer a guaranteed issue nongroup health insurance plan. Signed by the Governor on August 9, 1996.



**Chapter 313**

This law amends Chapter 176D, §1: The Massachusetts Insurers Insolvency Fund and any joint underwriting association are now subject to the standards set out in G.L. c. 176D, and claims brought pursuant to G.L. c. 93A for unfair and deceptive acts and practices. Signed by the Governor on August 9, 1996.

**Chapter 325**

This law, which amends M.G.L. c. 176A, §18, governs the manner in which retroactive premium rate increases for Blue Cross and Blue Shield Medicare supplemental policies may be implemented by requiring that such retroactive premium rate increases be spread over the remaining policy period. Signed by the Governor on August 9, 1996.

**Chapter 337**

This law amends M.G.L. c. 152, §1 regarding Workers' Compensation. The word "employer" shall not include nonprofit entities, as defined by the Internal Revenue Code, that are exclusively staffed by volunteers. This bill also authorizes parties to serve a request to produce or a request to inspect medical notes and reports and employment records upon any party, employer, or medical provider rendering medical treatment, and requires the recipient to permit the requesting party to obtain such information. Signed by the Governor on August 9, 1996.

**Chapter 376**

This law amends M.G.L. c. 175. Section 24C regarding charitable institutions as beneficiaries of life insurance contracts was repealed. A new section, section 123A, was added, which states that a foreign or a domestic corporation shall have an insurable interest in any of its directors, officers or employees (including subsidiaries); any person whose death or disability might cause financial loss to the company; a shareholder, concerning the reacquisition of shares owned by him at the time of his death or disability; the principal obligor pursuant to a contract obligating the corporation

as part of a compensation arrangement or as a guarantor or surety. The trustee of a trust established by a corporation shall have the same insurable interest in the life of any person as does the corporation. Signed by the Governor on August 22, 1996.

**Chapter 467**

This law creates an exemption for hospital indemnity policies from the Chapter 297 reforms, removes the exemption for disability income policies from the Chapter 297 reforms, makes nongroup law apply to policies issued out-of-state to Massachusetts residents, changes the date on which old plans will be closed to new enrollment, and clarifies which small group carriers are required to offer nongroup products. Signed by the Governor on January 9, 1997.

**Chapter 470**

This law amends M.G.L. c. 90, §7AA: child passenger restraints. Violations of this law are no longer subject to SDIP surcharges. Signed by the Governor on January 9, 1997.

**Chapter 482**

This law extends the time to two years for group marketing plans for automobile and homeowner insurance to secure thirty-five percent of the membership of the group. Signed by the Governor on January 9, 1997.

## ***Bulletins***

**96-01**

This bulletin outlines the laws enacted in 1996 which prohibit insurance agents and brokers, insurance carriers, Blue Cross and Blue Shield of Massachusetts (BCBSMA), and HMOs from discriminating against an individual who has been a victim of abuse as defined in M.G.L. c. 209A.

**96-02**

The purpose of this bulletin is to inform carriers of the enactment of St. 1995, Chapter 218, which is entitled An Act Further Defining Childbirth and Postpartum Care Benefits. Chapter 218



amends the various Massachusetts maternity mandated benefit statutes: §4 of Chapter 218 amends M.G.L. c. 175, §47F; §5 amends M.G.L. c. 176A, §8H; §6 amends M.G.L. c. 176B, §4H; §7 amends M.G.L. c. 176G, §4; and §8 adds M.G.L. c. 176G, §41.

**96-03**

This bulletin addresses private passenger automobile group marketing rate deviations pursuant to M.G.L. c. 175, §193R. The Division decided to offer to all insurers a one-time window of opportunity to request changes in previously approved deviations. The guidelines to meet this one-time opportunity are outlined in this bulletin.

**96-04**

Several changes were made to the "1996 Guide to Health Insurance for People with Medicare." This bulletin outlines those changes. The guide contains a comprehensive description of the Massachusetts market for Medicare-related products for residents of the Commonwealth.

**96-05**

This bulletin outlines the list of outpatient prescription drugs that are required to be covered by insurance carriers, Blue Cross and Blue Shield of Massachusetts, and HMOs when used on an off-label basis for the treatment of HIV/AIDS. These drugs are already approved by the federal Food and Drug Administration to treat specific on-label medical conditions, but have not yet been approved to treat HIV/AIDS. By issuing this list, under the authority of M.G.L. c. 175 §4Q, c. 176A §8O, c. 176B §4P, and c. 176G §4G, the Commissioner now requires that the listed prescription drugs be covered when used to treat HIV/AIDS based upon the recommendations of her Advisory Panel on the Off-Label Uses of Drugs to Treat HIV/AIDS.

**96-06**

The purpose of this bulletin is to inform commercial health insurers, BCBSMA and HMOs that the Advisory Panel also recommended that off-label uses of antiretroviral drugs in combination should not be denied at any stage of HIV infection and that the Division has approved this recommendation.

**96-07**

This bulletin defines the FY'96 assessment for costs of administration and operation of the Motor Vehicle Insurance Merit Rating Board (MRB). After a review by the State Auditor's Office, it was determined that in order to comply with statutory requirements, the method used in previous years to compute the MRB's administrative and operational costs required revision. Consequently, the total FY'96 MRB assessment has increased when compared to the total amounts assessed for the MRB in previous years.

**96-08**

St. 1996, Chapter 8, entitled An Act Further Protecting the Confidentiality of Patients, effective April 18, 1996, in part, sets forth new laws relating to provider/patient communications: §2 of Chapter 8 adds M.G.L. c. 175, §108.11; §4 adds M.G.L. c. 175, §110(M); §9 amends M.G.L. c. 176B, §7; §11 amends M.G.L. c. 176G, §6; and §12 amends M.G.L. c. 176I, §2.

**96-09**

The purpose of this bulletin is to inform HMOs of the enactment of St. 1996, Chapter 8, effective April 18, 1996, entitled An Act Further Protecting the Confidentiality of Patients, and of some of their obligations regarding mandated outpatient mental health benefits under the Act.

**96-10**

Pursuant to Chapter 93 of the Acts of 1996, the twenty-five admitted insurers with the largest Massachusetts homeowners market share, as well as the Massachusetts Property Insurance Underwriting Association ("FAIR Plan") must submit to the Massachusetts Division of



Insurance ("the Division") data regarding cancellations and non renewals of homeowners policies in certain areas of the Commonwealth. For that report to meet the statutory requirement that it show cancellations and nonrenewals by zip code within credit-eligible territories, the Division first had to advise the companies which territories were credit-eligible. In order to make such designations, the Division had to obtain statistical reports from the statistical agencies that would establish the relative shares of the voluntary homeowners insurance market and the FAIR plan in the various territories in the state. The credit-eligible territories were those with 20% or more homeowners market share in the FAIR Plan. This bulletin specified the procedures for and manner in which the statistical agents had to report the 1993-1995 Massachusetts homeowners data by territory to the Division.

**96-11**

As a result of recent changes to the Massachusetts statutes, there are new statistical reporting requirements that apply to the Massachusetts Property Insurance Underwriting Association ("FAIR Plan") and to each admitted insurer writing homeowners insurance in Massachusetts. This bulletin outlines those statistical reporting requirements.

**96-12**

Chapter 297 of the Acts of 1996 changes Small Group Health Insurance under M.G.L. c. 176J, Nongroup Health Insurance under M.G.L. c. 176M, and Portability of Health Insurance under M.G.L. c. 176N. While Chapter 297 has many components with varying effective dates, there are several important changes to existing Massachusetts law which this bulletin identifies.

**96-13**

This bulletin outlines procedures the Division has established for the implementation of the provisions of Chapter 297 of the Acts of 1996 regarding changes to the statutes for Small Employer Health Insurance (M.G.L. c. 176J) and the enactment of Nongroup Health Insurance (M.G.L. c. 176M) and Portability of Health Insurance (M.G.L. c. 176N).

**96-14**

This bulletin outlines procedures the Division has established for the implementation of the provisions of St. 1996, c. 297 regarding continuation of coverage under Small Group Health Insurance (M.G.L. c. 176J).

**96-15**

The purpose of this bulletin is to inform carriers of the enactment of St. 1996, c. 293 (Chapter 293), which is entitled An Act Authorizing Licensed Mental Health Counselors to Receive Certain Insurance Payments. §1 of Chapter 293 amends M.G.L. c. 175, §47B; §2 amends M.G.L. c. 176A, §8A; §3 amends M.G.L. c. 176B, §4A; and §4 amends M.G.L. c. 176G, §4. This mandate is effective for policies, certificates, evidences of coverage and contracts which are issued or renewed on or after November 7, 1996.

**96-16**

This bulletin outlines completion instructions of Lockbox Filing Fee Form SRB-LB (09/96). The Division's new lockbox filing fee collection program is intended to help the Division process form and rate filings more promptly, accurately, and efficiently.

**96-17**

The Division has been made aware of instances in which automobile insurance carriers and/or agents participating in group-marketing plans have been offering prospective insureds the added advantage of NOT being required to have their vehicle inspected by the carrier prior to having physical damage coverages take effect. This bulletin explains that the Division is unaware of any such "group-plan" exemption and reminds carriers and agents that such sales offers are contrary to the provisions of 211 CMR 94.00, the Mandatory Pre-Insurance Inspection Regulations.

**96-18**

Due to a large number of inquiries about the "portability" provisions of Chapter 297 (M.G.L. c. 176N), the Division is providing this bulletin as an explanation of these provisions.





**96-19**

The purpose of this bulletin is to inform commercial health insurers that St. 1996, c. 365, §16 has amended M.G.L. c. 175, §47C so that the maximum benefit required to be provided for early intervention services has been increased.

**96-20**

St. 1996, Chapter 297, in part, amended M.G.L. c. 176J, which governs small group health insurance, to increase the size of small groups from a maximum of 25 eligible employees to 50 eligible employees, and to eliminate gender as a factor in rating methods. Chapter 297 allows carriers to use phase-out rate adjustments beginning December 1, 1996 to develop rates for groups with between 26 and 50 eligible employees. Therefore, the Division would consider it acceptable for carriers to also extend coverage until November 30, 1996 for those groups with between 26 and 50 eligible employees that are up for renewal between August 15, 1996 and November 30, 1997, if any such extension allows the carrier to use the phase-out adjustment factors noted outlined in this bulletin.

**96-21**

St. 1996, Chapter 8 requires, in part, that in the case of outpatient mental health benefits mandated pursuant to M.G.L. c. 176G §4 and M.G.L. c. 175, §47B(c), no HMO shall require consent to the disclosure of information, other than the patient name, diagnosis and date and type of service as a condition to receiving mandated outpatient mental health benefits. This bulletin defines "diagnosis" as set forth in M.G.L. c. 175, §47B(c) to be: 1. the art or act of identifying a disease from its signs or symptoms; 2. the decision reached by diagnosis. Merriam Webster's Medical Desk Dictionary (1993).

**96-22**

According to M.G.L. c. 30A, §8, on request of any interested person, an agency may make an advisory ruling with respect to the applicability to any person, property or state of facts of any statute or regulation enforced or administered by that agency. Pursuant to this statute, this bulletin outlines that procedure with respect to the Division of Insurance.

## *Regulations*

On February 7, 1996, Governor Weld signed Executive Order 384, which required review and modernization of the regulations issued by the agencies of state government. The Division of Insurance reviewed all of its regulations to see if they were necessary and appropriate for the circumstances to which they were directed. As a result of this review, the Division rescinded over 20 regulations as obsolete or otherwise unnecessary, and modified about 20 others to make them clearer and to remove any unnecessarily burdensome features.

The following chart summarizes the regulation review project.

**Division of Insurance  
Regulation Review Project Summary**

<b>CMR #</b>	<b>Title</b>	<b>Action Taken</b>	<b>Summary of Changes/Reason for Rescission</b>
2.00	Schedule of Minimum Payments	Rescinded	The regulation was not mandated and had become obsolete.
5.00	FAIR Plan	Rescinded	Certain decisions of the Commissioner in the 1970s had unnecessarily been codified in the CMR though they could exist outside of it; currently relevant requirements stated in this old regulation were confirmed in the Commissioner's order of 12/27/96.
9.00	Life Insurance Funding and Annuities for Individuals Covered under Group Annuity Contracts	Rescinded	No longer necessary in light of the extensive federal regulation now imposed on such plans.
10.00	Nation-Wide Marine Definitions	Modified	Definition updated.
14.00	Loans under the Servicemen's Readjustment Act of 1944 and the Amendments of 1945 by Domestic Insurance Companies	Rescinded	Act authorizing the regulation expired over forty years ago.
16.00	Procedures for the Adoption of Regulations	Modified	Portions of regulation that reiterated §§ 2 and 3 in M.G.L. c. 30A were eliminated.
17.00	Procedures for Requesting an Advisory Opinion	Rescinded	Regulation was unnecessary as the right to ask for an advisory opinion is found in M.G.L. c. 30A, § 8; a bulletin of the Division now specifies this procedure.
21.00	Opinion, Findings and Decision on a Proposed Extension of the FAIR Plan, Rendered June, 1975	Rescinded	The governing statute, M.G.L. c. 175C, was amended in May, 1996, to include the coverage referred to in this old regulation. Since the enactment of the amended statute, with its updated requirements for coverage, this regulation is redundant, and in certain instances, conflicts with the amended governing statute.



22.00	Plan of Operation of the Liquor Liability Joint Underwriting Association of Massachusetts	Rescinded	Replaced by a Plan of Operation approved by the Commissioner since the statute does not demand that the Plan of Operation be in regulation form.
24.00	Limited Liability Companies and Limited Liability Partnerships; Minimum Amount of Liability Insurance	New regulation	Promulgated in accordance with the mandates of M.G.L. c. 108a, § 45(8) and M.G.L. c. 156, § 65.
32.00	Use of Gender-Blended and Smoker/Nonsmoker Mortality Tables	Modified	Merger of contents of 211 CMR 32.00 and 211 CMR 33.00.
33.00	Permitting Smoker/NonSmoker Mortality Tables for Use in Determining Minimum Reserve Liabilities and Minimum Nonforfeiture Benefits	Rescinded	Merged into 211 CMR 32.00.
35.00	Prohibiting Discrimination in Insurance	Rescinded	This regulation was invalidated by the Supreme Judicial Court in <i>Telles v. Commissioner of Insurance</i> , 410 Mass. 560 (1991).
40.00	Marketing of Health Plans	Modified	Merger of contents of 211 CMR 40.00 and 41.00.
41.00	Advertising and Marketing of Insured Health Plans	Rescinded	Merged into 211 CMR 40.00.
42.00	Form and Contents of Individual Accident and Sickness Insurance	Modified	Merger of contents of 211 CMR 42.00 and 47.00; unnecessary and outdated sections were removed.
43.00	Health Maintenance Organizations (HMOs)	Modified	Reorganized to improve the readability of the regulation, revised for modifications to law since its last update, and duplicative and unnecessary requirements were removed.
47.00	Individual Accident and Sickness Insurance	Rescinded	Merged into 211 CMR 42.00
49.00	Medicare Supplement Insurance	Rescinded	Outdated (applied to Medicare Supplement Policies issued or renewed on or after 1/1/91 and before 1/1/92.)
51.00	Preferred Provider Arrangements	Modified	Reorganized to remove duplicative and unnecessary requirements,

	and Preferred Provider Plans		added “preferred provider plan” definition, removed filing requirements for non-regulated networks.
64.00	Medicare Supplement Insurance -- To Comply with the Requirements of OBRA 1990	Rescinded	Outdated (applied to Medicare Supplement Policies issued or renewed on or after 1/1/92 and before 7/30/92.)
66.00	Small Group Health Insurance	Modified	Updated to eliminate obsolete compliance dates; incorporates changes necessary due to repeal of sections of M.G.L. c. 176J regarding association policies and amendments to M.G.L. c. 176J changing rating procedures and size of “small groups” from 1-25 to 1-50.
68.00	Medicare Supplement Insurance -- To Comply with OBRA 1990 as of July 30, 1993	Rescinded	Outdated (applied to Medicare Supplement Policies issued or renewed on or after 7/30/92 and before 12/31/94.)
69.00	Medicare Supplement Insurance and Evidence of Coverage Issued Pursuant to a Risk or Cost Contract -- To Facilitate the Implementation of M.G.L. c. 176K	Rescinded	Outdated (applied to Medicare Supplement Policies issued or renewed on or after 1/1/95 and before 4/19/96.)
71.00	Medicare Supplement Insurance and Evidence of Coverage Issued Pursuant to a Risk or Cost Contract	Modified	Technical changes were made to clarify the meaning of certain sections of the regulation and in one instance to bring the section into compliance with HCFA’s requirements



88.00	Procedures for the Appeal of Safe Driver Insurance Plan (SDIP) Motor Vehicle Accidents Surcharge and for Conduct of SDIP Hearings	Modified	Revised to make procedures and review more consumer friendly and non-adversarial in nature.
95.00	Variable Life Insurance	Modified	Modifications make the regulation more concise, eliminate unnecessary, confusing, and duplicative requirements, and clarify previous discrepancies between licensing requirements and policy review requirements.
110.00	Procedures Concerning Rate Filings and the Conduct of Hearings for Workers' Compensation Insurance	Modified	Clarifies requirements for rate filings and hearings.
112.00	Workers' Compensation Preferred Provider Arrangements	Modified	Clarifies requirements for workers' compensation PPAs.
113.00	Requirements Regarding Workers' Compensation Insurance Deductibles	Modified	Allows Commissioner to annually determine premium credit; eliminates language on recalculation which is also included in the Workers' Compensation Basic Manual; includes new language to allow for aggregate as well as per claim deductibles.
120.00	Procedures Concerning Filings for Non-Group Products Initiated by a Hospital and Medical Service Corporation and the Conduct of Hearings	Rescinded	Chapter 297 of the Acts of 1996 repealed the sections of M.G.L. c. 176A and 176B under which 211 CMR 120 was promulgated, so that they no longer govern the rate review process for BCBS.
125.00	Safe Driver Insurance Plan (SDIP)	Rescinded	Merged into 211 CMR 134.00
126.00	Safe Driver Insurance Plan (SDIP)	Rescinded	Merged into 211 CMR 134.00
127.00	Safe Driver Insurance Plan (SDIP)	Rescinded	Merged into 211 CMR 134.00
128.00	Safe Driver Insurance Plan (SDIP)	Rescinded	Merged into 211 CMR 134.00
129.00	Life Reinsurance Agreements	Modified	Unnecessary section removed.
130.00	Safe Driver Insurance Plan (SDIP)	Rescinded	Merged into 211 CMR 134.00

131.00	Requirements Applicable to Insurance on Liability for Injury from Exposure to Dangerous Levels of Lead in Dwelling Units	Modified	Revised to make it more readable and easier to understand and use; eliminated obsolete compliance dates.
132.00	Safe Driver Insurance Plan (SDIP)	Rescinded	Merged into 211 CMR 134.00
134.00	Safe Driver Insurance Plan (SDIP)	Modified	Merger of contents of 211 CMR 125, 126, 127, 128, 130, 132, and 134.
140.00	Procedures Concerning the Merger or Consolidation of Insurance Companies	Modified	Merger of contents of 211 CMR 140.00 and 141.00
141.00	Procedures Concerning the Merger or Consolidation of Insurance Companies	Rescinded	Merged into 211 CMR 140.00



